

STATE OF CALIFORNIA
DEPARTMENT OF MANAGED HEALTH CARE
HEALTH CARE SERVICE PLAN

1

QUARTERLY FINANCIAL REPORTING FORM

Submitted on 5/15/2003 2:25:13 PM

		1
1.	FOR THE QUARTER ENDING:	March 31, 2003
2.	Name:	UNIVERSAL CARE
3.	File Number:(Enter last three digits) 933-0	209
4.	Date Incorporated or Organized:	April 18, 1983
5.	Date Licensed as a HCSP:	October 15, 1985
6.	Date Federally Qualified as a HCSP:	
7.	Date Commenced Operation:	November 1, 1985
8.	Mailing Address:	1600 EAST HILL STREET, SIGNAL HILL, CA. 90806
9.	Address of Main Administrative Office:	1600 EAST HILL STREET, SIGNAL HILL, CA. 90806
10.	Telephone Number:	(562) 424-6200
11.	HCSP's ID Number:	33-0012358
12.	Principal Location of Books and Records:	1600 EAST HILL STREET, SIGNAL HILL, CA. 90806
13.	Plan Contact Person and Phone Number:	KENNETH L. WATKINS (562) 981-4059
14.	Financial Reporting Contact Person and Phone Number:	KENNETH L. WATKINS (562) 981-4059
15.	President:*	HOWARD E. DAVIS
16.	Secretary:*	JEFFREY V. DAVIS
17.	Chief Financial Officer:*	KENNETH L. WATKINS
18.	Other Officers:*	JAY B. DAVIS, EXECUTIVE VICE PRESIDENT
19.		
20.		
21.		
22.	Directors:*	LAURA DAVIS, MARC DAVIS, ERIC SPENCER
23.		JOHN ADAMS, STEPHEN BASS, MARIA FLATT
24.		LORRIE HOLT, LOUIS MACDONALD, CHRISS CARREON
25.		STUART GRAY, DR. FRIEDMAN, DAN SUN
26.		
27.		
28.		
29.		
30.		
31.		

The officers listed on lines 15 through 17 of the health care service plan noted on line 2, being duly sworn, each for himself or herself, deposes and says that they are the officers of the said health care service plan, and that, for the reporting period stated above, all of the herein assets were the absolute property of the said health care service plan, free and clear from any liens or claims thereon, except as herein stated, and that these financial statements, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said health care service plan as of the reporting period stated above, and of its income and deductions therefrom for the period reported, according to the best of their information, knowledge and belief, respectively.

32. President	HOWARD E DAVIS (please type for valid signature)
33. Secretary	JEFFREY V DAVIS (please type for valid signature)
34. Chief Financial Officer	KENNETH L WATKINS (please type for valid signature)
* Show full name (initials not accepted) and indicate by sign (#) those officers and directors who did not occupy the indicated position in the previous statement.	
35. Check if this is a revised filing:	<input type="checkbox"/>
36. If all dollar amounts are reported in thousands (000), check here	<input type="checkbox"/>

Check My Work.

**STATE OF CALIFORNIA
DEPARTMENT OF MANAGED HEALTH CARE
HEALTH CARE SERVICE PLAN**

QUARTERLY FINANCIAL REPORTING FORM

SUPPLEMENTAL INFORMATION

		1
1.	Are footnote disclosures attached with this filing?	Yes <input type="button" value="▼"/>
2.	Is the attached reporting form filed on a consolidated or combined basis? If "Yes", the plan is required to file consolidating or combining schedules.	No <input type="button" value="▼"/>
3.	Is the plan required to file additional information (i.e. parent/affiliate financial statements, claims reports, etc.) that is required by the Department?	No <input type="button" value="▼"/>
4.	Have the Restricted Assets changed from the previous quarterly filing? If "yes", complete Schedule A-2 (Restricted Assets).	No <input type="button" value="▼"/>
5.	Are there any significant changes reported on Schedule G, Section III?	No <input type="button" value="▼"/>
6.	If "yes", describe:	

STATEMENT AS OF 3-31-2003 OF 933-0209 UNIVERSAL CARE

REPORT #1 ---- PART A: ASSETS

1	2
CURRENT ASSETS:	Current Period
1. Cash and Cash Equivalents	20,168,263
2. Short-Term Investments	322,248
3. Premiums Receivable - Net	21,702,353
4. Interest Receivable	510
5. Shared Risk Receivables - Net	0
6. Other Health Care Receivables - Net	5,744,267
7. Prepaid Expenses	4,760,669
8. Secured Affiliate Receivables - Current	600,000
9. Unsecured Affiliate Receivables - Current	0
10. Aggregate Write-Ins for Current Assets	1,382,760
11. TOTAL CURRENT ASSETS (Items 1 to 10)	54,681,070
OTHER ASSETS:	
12. Restricted Assets	508,470
13. Long-Term Investments	0
14. Intangible Assets and Goodwill - Net	4,473,144
15. Secured Affiliate Receivables - Long-Term	0
16. Unsecured Affiliate Receivables - Past Due	0
17. Aggregate Write-Ins for Other Assets	1,668,541
18. TOTAL OTHER ASSETS (Items 12 to 17)	6,650,155
PROPERTY AND EQUIPMENT	
19. Land, Building and Improvements	16,035,025
20. Furniture and Equipment - Net	1,146,430
21. Computer Equipment - Net	2,299,806
22. Leasehold Improvements -Net	956,633
23. Construction in Progress	46,010
24. Software Development Costs	1,365,364
25. Aggregate Write-Ins for Other Equipment	0
26. TOTAL PROPERTY AND EQUIPMENT (Items 19 to 25)	21,849,268
27. TOTAL ASSETS	83,180,493
DETAILS OF WRITE-INS AGGREGATED AT ITEM 10 FOR CURRENT ASSETS	
1001. Inventory	1,382,760
1002.	
1003.	
1004.	
1098. Summary of remaining write-ins for Item 10 from overflow page	
1099. TOTALS (Items 1001 thru 1004 plus 1098)	1,382,760
DETAILS OF WRITE-INS AGGREGATED AT ITEM 17 FOR OTHER ASSETS	
1701. Deposit-L/T	433,059
1702. Others	57,329
1703. Deferred Taxes	1,178,153
1704.	
1798. Summary of remaining write-ins for Item 17 from overflow page	
1799. TOTALS (Items 1701 thru 1704 plus 1798)	1,668,541
DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR OTHER EQUIPMENT	
2501.	
2502.	
2503.	
2504.	
2598. Summary of remaining write-ins for Item 25 from overflow page	
2599. TOTALS (Items 2501 thru 2504 plus 2598)	0

STATEMENT AS OF 3-31-2003 OF 933-0209 UNIVERSAL CARE

REPORT #1 ---- PART B: LIABILITIES AND NET WORTH

1	2	3	4
CURRENT LIABILITIES:	Current Period		
	Contracting	Non-Contracting	Total
1. Trade Accounts Payable	8,156,705	XXX	8,156,705
2. Capitation Payable	4,718,757	XXX	4,718,757
3. Claims Payable (Reported)	5,966,019		5,966,019
4. Incurred But Not Reported Claims	24,535,712		24,535,712
5. POS Claims Payable (Reported)	0		0
6. POS Incurred But Not Reported Claims	58,761		58,761
7. Other Medical Liability	7,622,271		7,622,271
8. Unearned Premiums	7,505,685	XXX	7,505,685
9. Loans and Notes Payable	112,888	XXX	112,888
10. Amounts Due To Affiliates - Current	0	XXX	0
11. Aggregate Write-Ins for Current Liabilities	0	0	0
12. TOTAL CURRENT LIABILITIES (Items 1 to 11)	58,676,798	0	58,676,798
OTHER LIABILITIES:			
13. Loans and Notes Payable (Not Subordinated)	4,461,859	XXX	4,461,859
14. Loans and Notes Payable (Subordinated)	7,539,517	XXX	7,539,517
15. Accrued Subordinated Interest Payable	0	XXX	0
16. Amounts Due To Affiliates - Long Term	0	XXX	0
17. Aggregate Write-Ins for Other Liabilities	1,600,000	XXX	1,600,000
18. TOTAL OTHER LIABILITIES (Items 13 to 17)	13,601,376	XXX	13,601,376
19. TOTAL LIABILITIES	72,278,174	0	72,278,174
NET WORTH			
20. Common Stock	XXX	XXX	26,000
21. Preferred Stock	XXX	XXX	0
22. Paid In Surplus	XXX	XXX	39,400
23. Contributed Capital	XXX	XXX	0
24. Retained Earnings (Deficit)/Fund Balance	XXX	XXX	10,744,620
25. Aggregate Write-Ins for Other Net Worth Items	XXX	XXX	92,299
26. TOTAL NET WORTH (Items 20 to 25)	XXX	XXX	10,902,319
27. TOTAL LIABILITIES AND NET WORTH	XXX	XXX	83,180,493
DETAILS OF WRITE-INS AGGREGATED AT ITEM 11 FOR CURRENT LIABILITIES			
1101.	0		0
1102.	0		0
1103.	0		0
1104.	0		0
1198. Summary of remaining write-ins for Item 11 from overflow page			0
1199. TOTALS (Items 1101 thru 1104 plus 1198)	0	0	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 17 FOR OTHER LIABILITIES			
1701. Malpractice Insurance and other liabilities	1,600,000	XXX	1,600,000
1702.	0	XXX	0
1703.	0	XXX	0
1704.	0	XXX	0
1798. Summary of remaining write-ins for Item 17 from overflow page		XXX	0
1799. TOTALS (Items 1701 thru 1704 plus 1798)	1,600,000	XXX	1,600,000
DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR OTHER NET WORTH ITEMS			
2501. Marketable Securities	XXX	XXX	147,087
2502. Unrealized Loss on Marketable Securities	XXX	XXX	-92,899
2503. Other Comprehensive Income	XXX	XXX	38,111
2504.	XXX	XXX	0
2598. Summary of remaining write-ins for Item 25 from overflow page	XXX	XXX	
2599. TOTALS (Items 2501 thru 2504 plus 2598)	XXX	XXX	92,299

STATEMENT AS OF 3-31-2003 OF 933-0209 UNIVERSAL CARE

REPORT #2: REVENUE, EXPENSES AND NET WORTH

	1	2
	Current Period	Year-To-Date
REVENUES:		
1. Premiums (Commercial)	55,841,238	181,101,957
2. Capitation	985,132	2,586,492
3. Co-payments, COB, Subrogation	717,064	1,731,857
4. Title XVIII - Medicare	2,212,777	3,961,418
5. Title XIX - Medicaid	47,863,445	145,885,763
6. Fee-For-Service	1,009,500	4,104,258
7. Point-Of-Service (POS)	0	0
8. Interest	94,992	367,260
9. Risk Pool Revenue		0
10. Aggregate Write-Ins for Other Revenues	22,776	79,182
11. TOTAL REVENUE (Items 1 to 10)	108,746,924	339,818,187
EXPENSES:		
Medical and Hospital		
12. Inpatient Services - Capitated	4,797,677	15,642,056
13. Inpatient Services - Per Diem	32,752,480	103,459,409
14. Inpatient Services - Fee-For-Service/Case Rate	2,399,785	6,916,783
15. Primary Professional Services - Capitated	29,110,630	91,836,160
16. Primary Professional Services - Non-Capitated	3,441,774	10,777,562
17. Other Medical Professional Services - Capitated	0	0
18. Other Medical Professional Services - Non-Capitated	10,755,170	31,685,364
19. Non-Contracted Emergency Room and Out-of-Area Expense, not including POS	1,567,266	4,142,736
20. POS Out-Of-Network Expense	0	0
21. Pharmacy Expense - Capitated	1,941,111	5,750,282
22. Pharmacy Expense - Fee-for-Service	9,331,434	32,631,404
23. Aggregate Write-Ins for Other Medical and Hospital Expenses	751,697	2,538,417
24. TOTAL MEDICAL AND HOSPITAL (Items 12 to 23)	96,849,024	305,380,173
Administration		
25. Compensation	3,743,136	9,319,269
26. Interest Expense	40,327	121,292
27. Occupancy, Depreciation and Amortization	3,298,271	9,689,907
28. Management Fees	0	0
29. Marketing	3,539,730	10,171,582
30. Affiliate Administration Services		0
31. Aggregate Write-Ins for Other Administration	0	0
32. TOTAL ADMINISTRATION (Items 25 to 31)	10,621,464	29,302,050
33. TOTAL EXPENSES	107,470,488	334,682,223
34. INCOME (LOSS)	1,276,436	5,135,964
35. Extraordinary Item		
36. Provision for Taxes	513,104	1,445,971
37. NET INCOME (LOSS)	763,332	3,689,993
NET WORTH:		
38. Net Worth Beginning of Period	10,138,987	7,212,326
39. Audit Adjustments		
40. Increase (Decrease) in Common Stock		
41. Increase (Decrease) in Preferred Stock		
42. Increase (Decrease) in Paid in Surplus		
43. Increase (Decrease) in Contributed Capital		
44. Increase (Decrease) in Retained Earnings:		
45. Net Income (Loss)	763,332	3,689,993
46. Dividends to Stockholders		
47. Aggregate Write-Ins for Changes in Retained Earnings	0	0
48. Aggregate Write-Ins for Changes in Other Net Worth Items	0	0
49. NET WORTH END OF PERIOD (Items 38 to 48)	10,902,319	10,902,319

STATEMENT AS OF 3-31-2003 OF 933-0209 UNIVERSAL CARE

REPORT #2: REVENUE, EXPENSES AND NET WORTH

1	2	3
	Current Period	Year-to-Date
DETAILS OF WRITE-INS AGGREGATED AT ITEM 10 FOR OTHER REVENUES		
1001. Other Income	22,776	79,182
1002.		
1003.		
1004.		
1005.		
1006.		
1098. Summary of remaining write-ins for Item 10 from overflow page		
1099. TOTALS (Items 1001 thru 1006 plus 1098)	22,776	79,182
DETAILS OF WRITE-INS AGGREGATED AT ITEM 23 FOR OTHER MEDICAL AND HOSPITAL EXPENSES		
2301. Reinsurance	483,250	1,580,957
2302. Lab & X-Ray	249,471	891,366
2303. Radiology	18,976	66,094
2304.		
2305.		
2306.		
2398. Summary of remaining write-ins for Item 23 from overflow page		
2399. TOTALS (Items 2301 thru 2306 plus 2398)	751,697	2,538,417
DETAILS OF WRITE-INS AGGREGATED AT ITEM 31 FOR OTHER ADMINISTRATIVE EXPENSES		
3101.		
3102.		
3103.		
3104.		
3105.		
3106.		
3198. Summary of remaining write-ins for Item 31 from overflow page		
3199. TOTALS (Items 3101 thru 3106 plus 3198)	0	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 47 FOR CHANGES IN RETAINED EARNINGS		
4701.		
4702.		
4703.		
4704.		
4705.		
4706.		
4798. Summary of remaining write-ins for Item 47 from overflow page		
4799. TOTALS (Items 4701 thru 4706 plus 4798)	0	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 48 FOR CHANGES OF OTHER NET WORTH ITEMS		
4801.		
4802.		
4803.		
4804.		
4805.		
4806.		
4898. Summary of remaining write-ins for Item 48 from overflow page		
4899. TOTALS (Items 4801 thru 4806 plus 4898)	0	0

REPORT #3: STATEMENT OF CASH FLOWS (Direct Method)

1	2	3
	Current Period	Year-to-Date
CASH FLOW PROVIDED BY OPERATING ACTIVITIES		
1. Group/Individual Premiums/Capitation	57,556,311	191,380,233
2. Fee-For-Service	717,064	1,731,856
3. Title XVIII - Medicare Premiums	2,212,777	3,961,418
4. Title XIX - Medicaid Premiums	47,863,445	145,885,763
5. Investment and Other Revenues	117,768	446,441
6. Co-Payments, COB and Subrogation	1,009,500	4,104,258
7. Medical and Hospital Expenses	-102,064,715	-310,848,922
8. Administration Expenses	-13,721,970	-31,682,643
9. Federal Income Taxes Paid	-513,104	-1,445,970
10. Interest Paid	-40,327	-121,292
11. NET CASH PROVIDED BY OPERATING ACTIVITIES	-6,863,251	3,411,142
CASH FLOW PROVIDED BY INVESTING ACTIVITIES		
12. Proceeds from Restricted Cash and Other Assets	0	-697
13. Proceeds from Investments		
14. Proceeds for Sales of Property, Plant and Equipment		
15. Payments for Restricted Cash and Other Assets		
16. Payments for Investments		
17. Payments for Property, Plant and Equipment	-648,693	-2,253,307
18. NET CASH PROVIDED BY INVESTING ACTIVITIES	-648,693	-2,254,004
CASH FLOW PROVIDED BY FINANCING ACTIVITIES:		
19. Proceeds from Paid in Capital or Issuance of Stock		
20. Loan Proceeds from Non-Affiliates		
21. Loan Proceeds from Affiliates		
22. Principal Payments on Loans from Non-Affiliates		
23. Principal Payments on Loans from Affiliates	-29,322	-835,525
24. Dividends Paid		
25. Aggregate Write-Ins for Cash Provided by Financing Activities	0	0
26. NET CASH PROVIDED BY FINANCING ACTIVITIES	-29,322	-835,525
27. NET INCREASE (DECREASE) IN CASH (Items 11, 18 & 26)	-7,541,266	321,613
28. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE QUARTER	27,709,529	19,846,650
29. CASH AND CASH EQUIVALENTS AT THE END OF THE QUARTER	20,168,263	20,168,263
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
30. Net Income	763,332	3,689,993
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities		
31. Depreciation and Amortization	664,164	1,910,681
32. Decrease (Increase) in Receivables	-512,580	5,658,631
33. Decrease (Increase) in Prepaid Expenses	-1,012,125	-2,551,757
34. Decrease (Increase) in Affiliate Receivables		
35. Increase (Decrease) in Accounts Payable	-2,192,875	-1,260,812
36. Increase (Decrease) in Claims Payable and Shared Risk Pool	-5,216,855	-6,078,118
37. Increase (Decrease) in Unearned Premium	1,242,524	2,033,159
38. Aggregate Write-Ins for Adjustments to Net Income	1,164	609,369
39. TOTAL ADJUSTMENTS (Items 31 through 38)	-7,026,583	321,153
40. NET CASH PROVIDED BY OPERATING ACTIVITIES (Item 30 adjusted by Item 39 must agree to Item 11)	-6,263,251	4,011,146
DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR CASH FLOW PROVIDED BY FINANCING ACTIVITIES		
2501.		
2502.		
2503.		
2598. Summary of remaining write-ins for Item 25 from overflow page		
2599. TOTALS (Items 2501 thru 2503 plus 2598)	0	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 38 FOR ADJUSTMENTS TO NET INCOME		
3801. Deposit-L/T		
3802. Others	1,164	609,369
3803.		
3898. Summary of remaining write-ins for Item 38 from overflow page		
3899. TOTALS (Items 3801 thru 3803 plus 3898)	1,164	609,369

REPORT #3: STATEMENT OF CASH FLOWS (Indirect Method)

	1	2
	Current Period	Year-to-Date
CASH FLOWS FROM OPERATING ACTIVITIES:		
1. Net Income (Loss)	763,332	3,689,993
ADJUSTMENTS TO RECONCILE NET INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
2. Depreciation and Amortization	664,164	1,910,681
3. Unrealized Gains/Losses on Equity Securities		
4. Gain/Loss on Sale of Assets		
5. Deferred Income Taxes		
CHANGE IN OPERATING ASSETS AND LIABILITIES		
(Increase) Decrease in Operating Assets:		
6. Receivables	-512,580	5,658,631
7. Prepaid Expenses	-1,012,125	-2,551,757
8. Affiliate Receivables	-600,000	-600,000
9. Aggregate write-ins for (increase) decrease in operating assets	1,164	9,369
Increase (Decrease) in Operating Liabilities:		
10. Trade Accounts Payable	-2,172,512	-797,142
11. Capitation Payable	-20,362	-463,673
12. Claims Payable and IBNR	-6,876,633	-8,191,564
13. Other Medical Liability	1,659,777	2,113,445
14. Unearned Premiums	1,242,524	2,033,159
15. Affiliate Payables		
16. Aggregate write-ins for increase (decrease) in operating liabilities	0	600,000
17. NET CASH PROVIDED (USED) IN OPERATING ACTIVITIES	-6,863,251	3,411,142
CASH FLOW FROM INVESTING ACTIVITIES		
18. Proceeds from Restricted Cash and Other Assets	0	-697
19. Proceeds from Investments		
20. Proceeds for Sales of Property, Plant, and Equipment		
21. Payments for Restricted Cash and Other Assets		
22. Payments for Investments		
23. Payments for Property, Plant, and Equipment	-648,693	-2,253,307
24. Aggregate write-ins for cash flow provided by investing activities	0	0
25. NET CASH PROVIDED (USED) IN INVESTING ACTIVITIES	-648,693	-2,254,004
CASH FLOW FROM FINANCING ACTIVITIES		
26. Proceeds from Paid-in-Capital or Issuance of Stock		
27. Loan Proceeds from Non-Affiliates		
28. Loan Proceeds from Affiliates		
29. Principal Payments on Loans from Non-Affiliates		
30. Principal Payments on Loans from Affiliates	-29,322	-835,525
31. Dividends Paid		
32. Principal Payments under lease obligations		
33. Aggregate write-ins for cash flow provided by financing activities	0	0
34. NET CASH PROVIDED (USED) IN FINANCING ACTIVITIES	-29,322	-835,525
35. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	-7,541,266	321,613
36. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE QUARTER	27,709,529	19,846,650
37. CASH AND CASH EQUIVALENTS AT THE END OF THE QUARTER	20,168,263	20,168,263

REPORT #3: STATEMENT OF CASH FLOWS (Indirect Method)

1	2	3
	Current Period	Year-to-Date
DETAILS OF WRITE-INS AGGREGATED AT ITEM 9 FOR (INCREASE) DECREASE IN OPERATING ASSETS		
901. Deposit-L/T		
902. Others	1,164	9,369
903.		
998. Summary of remaining write-ins for Item 9 from overflow page		
999. TOTALS (Items 901 thru 903 plus 998)	1,164	9,369
DETAILS OF WRITE-INS AGGREGATED AT ITEM 16 FOR INCREASE (DECREASE) IN OPERATING LIABILITIES		
1601. Others	0	600,000
1602.		
1603.		
1698. Summary of remaining write-ins for Item 16 from overflow page		
1699. TOTALS (Items 1601 thru 1603 plus 1698)	0	600,000
DETAILS OF WRITE-INS AGGREGATED AT ITEM 24 FOR CASH FLOW PROVIDED BY INVESTING ACTIVITIES		
2401.		
2402.		
2403.		
2498. Summary of remaining write-ins for Item 24 from overflow page		
2499. TOTALS (Items 2401 thru 2403 plus 2498)	0	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 33 FOR CASH FLOW PROVIDED BY FINANCING ACTIVITIES		
3301.		
3302.		
3303.		
3398. Summary of remaining write-ins for Item 33 from overflow page		
3399. TOTALS (Items 3301 thru 3303 plus 3398)	0	0

REPORT #4: ENROLLMENT AND UTILIZATION TABLE

TOTAL ENROLLMENT

1 Source of Enrollment	2 Total Enrollees At End of Previous Period	3 Additions During Period	4 Terminations During Period	5 Total Enrollees at End of Period	6 Cumulative Enrollee Months for Period	Total Member Ambulatory Encounters for Period			10 Total Patient Days Incurred	11 Annualized Hospital Days/1000	12 Average Length of Stay
						7 Physicians	8 Non-Physicians	9 Total			
1. Group (Commercial)	128,085		21,492	106,593	1,113,752	4,338		4,338	5,242	56	4.146667
2. Medicare Risk	469	751		1,220	5,821	71		71	344	709	129.7133
3. Medi-Cal Risk	176,317		4,141	172,176	1,594,209	14,312		14,312	8,149	61	9.037333
4. Individual	0			0		0		0			
5. Point of Service	1,249		160	1,089	11,523	349		349		0	
6. Aggregate write-ins for Other	33,819	558	340	34,037	296,987	1,323	0	1,323	412	17	
7. Total Membership	339,939	1,309	26,133	315,115	3,022,292	20,393	0	20,393	14,147	56	
DETAILS OF WRITE-INS AGGREGATED AT ITEM 6 FOR OTHER SOURCES OF ENROLLMENT											
601. Healthy Family-L.A.	18,278	158		18,436	162,015	576		576	203	15	2.743333
602. Healthy Family-Others	9,591	400		9,991	83,625	677		677	100	14	1.446667
603. Plan to Plan	5,950		340	5,610	51,347	70		70	109	25	2.738889
Summary of remaining write-ins for 698. Item 6 from overflow page				0				0			
Totals (lines 601 through 603 plus 699, 698) (Line 6 above)	33,819	558	340	34,037	296,987	1,323	0	1,323	412	17	

SCHEDULE A-1 (CASH)

1	2	3
Name of Depository (List all accounts even if closed during the period)	Account Number	Balance*
1. Farmers & Merchants-General	01087762	-1,171,163
2. Farmers & Merchants-Claims	01087770	-4,180,295
3. Farmers & Merchants-Payroll	01087789	-92,268
4. Farmers & Merchants-Contract Payroll	01098608	-18,128
5. Farmers & Merchants-Repo	56710200	20,602,164
6. Bank of America-General	1457502777	1,432,120
7. Farmers & Merchants-Savings	1556965	4,088,127
8.		
9. Total Cash on Deposit		20,660,557
10. Cash on Hand (Petty Cash)		16,176
11. Total Cash on Hand and on Deposit (Report #1, Part A, Line 1)		20,676,733

SCHEDULE A-2 RESTRICTED ASSETS

1	2	3
Name of Depository (List all accounts even if closed during period)	Account Number	Balance*
12. Farmers & Merchants	56-164800	508,470
13.		
14.		
15.		
16.		
17.		
18.		
19. Total Restricted Assets		508,470

* Indicate the Balance Per the HMO's Records

STATEMENT AS OF 3-31-2003 OF 933-0209 UNIVERSAL CARE

SCHEDULE C - PREMIUMS RECEIVABLE (Other than Affiliates)

Individually list all debtors (commercial only) with account balances greater than 5% of gross Premiums Receivable

1 Name of Debtor		2 31-60 Days	3 61-90 Days	4 Over 90 Days	5 Total
1.	PREMIUMS	4,533,784			4,533,784
2.	HEALTHNET	12,315,149			12,315,149
3.					0
4.					0
5.					0
6.					0
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48.					0
49.					0
50.					0
51.					0
52.					0
53.					0
54.					0
55.	Total - Individual Listed Receivables	16,848,933	0	0	16,848,933

STATEMENT AS OF 3-31-2003 OF 933-0209 UNIVERSAL CARE

SCHEDULE D
HEALTH CARE RECEIVABLES &
AMOUNTS DUE FROM PARENT, SUBSIDIARIES, AND AFFILIATES

Individually list all debtors with account balances greater than 10% of gross Receivables

1	2	3	4	5
Name of Debtor	31-60 Days	61-90 Days	Over 90 Days	Total
1.				0
2.				0
3.				0
4.				0
5.				0
6.				0
7.				0
8.				0
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33.				0
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42.				0
43.				0
44.				0
45.				0
46.				0
47.				0
48.				0
49.				0
50.				0
51.				0
52.				0
53.				0
54.				0
55. Total - Individual Listed Receivables	0	0	0	0

STATEMENT AS OF 3-31-2003 OF 933-0209 UNIVERSAL CARE

SCHEDULE F - ACCOUNTS PAYABLE

Individually list all creditors with account balances greater than 5% of total trade accounts payable. Group the total of all other payables and enter on the line titled, "Aggregate Accounts Not Individually Listed-Due." Report accounts payable from the initial date of billing or due date under contract.

1	2	3	4	5	6
Name of Debtor	31-60 Days	61-90 Days	91-120 Days	Over 120 Days	Total
1. SOUTHLAND SAN GABRIEL VALLEY MEDICAL GROUP	340,382				340,382
2. MEDIMPACT	1,976,706				1,976,706
3.					0
4.					0
5.					0
6.					0
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21.					0
22.					0
23.					0
24. Total - Individual Listed Payables	2,317,088	0	0	0	2,317,088

SCHEDULE G - UNPAID CLAIMS ANALYSIS
SECTION I - CLAIMS UNPAID

Type of Claim	1 Reported Claims in Process of Adjustment	2 Estimated Incurred but Unreported	3 Total - Unpaid Claims (Columns 4+5 of Section II)
1. Inpatient Claims	5,399,988	22,261,051	27,661,039
2. Physician Claims	413,658	1,705,276	2,118,934
3. Referral Claims			0
4. Other Medical	152,373	628,146	780,519
5. TOTAL	5,966,019	24,594,473	30,560,492

SECTION II - ANALYSIS OF CLAIMS UNPAID - PREVIOUS YEAR (FILE ANNUAL ONLY)

1 Type of Claim	Claims Paid During the Fiscal Year		Unpaid Claims During the Fiscal Year		6 Total Claims (Paid and Unpaid) for the Previous Fiscal Year (2+4)	7 Estimated Liability of Unpaid Claims Prior to the first day of the Prior Year
	2 On Claims Incurred Prior to the first day of the Current Fiscal Year	3 On Claims Incurred During the Fiscal Year	4 On Claims Unpaid Prior to the first day of the Previous Fiscal Year	5 On Claims Incurred During the Year		
6. Inpatient Claims	33,070,098	68,508,297	1,944,732	25,716,307	35,014,830	33,715,785
7. Physician Claims	2,533,288	5,247,980	254,667	1,864,267	2,787,955	2,980,818
8. Referral Claims					0	
9. Other Medical	933,148	1,933,117	115,758	664,761	1,048,906	2,055,452
10. TOTAL	36,536,534	75,689,394	2,315,157	28,245,335	38,851,691	38,752,055

SECTION III - INVENTORY OF CLAIMS TO BE PROCESSED*

1 Month Ending	2 Beginning Balance Number of Claims in inventory on the 1st of each month	3 Add - Claims Received during the month	4 Deduct - Claims paid during the month	5 Deduct - Claims denied during the month	6 Add/Deduct - Adjustments	7 Ending Balance Number of claims in inventory at the end of the month
11. March 31, 2003	67,765	62,813	27,686	26,993		75,899
12. February 28, 2003	72,957	58,001	32,099	31,094		67,765
13. January 31, 2003	95,373	61,428	43,137	40,707		72,957
14. December 31, 2002	93,620	59,867	30,684	27,430		95,373
15. November 30, 2002	88,616	60,902	28,328	27,570		93,620
16. October 31, 2002	89,984	67,012	35,330	33,050		88,616
17. September 30, 2002	92,914	58,861	32,832	28,959		89,984
18. August 31, 2002	84,232	62,838	28,674	25,482		92,914
19. July 31, 2002	92,446	63,336	37,081	34,469		84,232
20. June 30, 2002	86,028	57,848	27,545	23,885		92,446
21. May 31, 2002	93,653	65,110	40,251	32,484		86,028
22. April 30, 2002	77,337	64,173	26,062	21,795		93,653

* Describe any significant changes reported on Schedule G, Section III in the Supplemental Schedule (Page 2).

STATEMENT AS OF 3-31-2003 OF 933-0209 UNIVERSAL CARE

SCHEDULE H - AGING OF ALL CLAIMS

Age all claims on hand at the end of each month. Use the date of receipt to determine the number of days the claims is outstanding. The amount reported in Column 6 should equal the amount Reported on Schedule G, Section III, Column 7.

	1	2	3	4	5	6
1.	Month Ending	1-30 Days	31-60 Days	61-90 Days	Over 90 Days	Total
2.	March 31, 2003	43,868	5,337	1,421	25,273	75,899
3.	February 28, 2003	38,567	2,694	1,824	24,680	67,765
4.	January 31, 2003	40,211	5,247	3,533	23,966	72,957
5.	December 31, 2002	55,546	12,922	3,768	23,137	95,373
6.	November 30, 2002	58,854	8,553	2,429	23,784	93,620
7.	October 31, 2002	58,007	5,400	2,013	23,196	88,616
8.	September 30, 2002	54,835	9,810	2,560	22,779	89,984
9.	August 31, 2002	57,120	9,205	3,963	22,626	92,914
10.	July 31, 2002	50,220	8,438	3,130	22,444	84,232
11.	June 30, 2002	57,116	10,358	4,068	20,904	92,446
12.	May 31, 2002	55,817	7,214	3,244	19,753	86,028
13.	April 30, 2002	60,948	10,793	2,918	18,994	93,653

STATEMENT AS OF 3-31-2003 OF 933-0209 UNIVERSAL CARE

SCHEDULE I - ANALYSIS OF TOTAL MEDICAL LIABILITY TO ACTUAL CLAIMS PAID

Using the Plan's Lag Tables, complete the following table. Provide claim information the current quarter and the previous seven quarters. An actuarial certification may be submitted in lieu of this schedule.

Reported Accrual				
1	2	3	4	5
Quarter Ending Date	Total Medical Liability*	Amount Paid-To-Date	Difference - Column (2-3)	Outstanding Liability (Based on plan's lag)
1. March 31, 2003	30,560,492	XXX	30,560,492	20,088,232
2. December 31, 2002	37,437,125	29,077,759	8,359,366	5,763,719
3. September 30, 2002	38,491,811	36,091,619	2,400,192	3,196,191
4. June 30, 2002	38,752,055	36,536,534	2,215,521	1,338,330
5. March 31, 2002	34,348,335	36,707,342	-2,359,007	805,586
6. December 31, 2001	34,191,369	29,162,759	5,028,610	201,163
7. September 30, 2001	24,464,100	27,922,944	-3,458,844	-39,609
8. June 30, 2001	22,460,334	19,909,650	2,550,684	8,803

* Should tie to Report #1, Part B, Columns 1 & 2, Lines 3 through 7.

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NOTES TO FINANCIAL STATEMENTS	
1.	**** SEE ATTACHED NOTES ****
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STATEMENT AS OF 3-31-2003 OF 933-0209 UNIVERSAL CARE

KNOX-KEENE
SUPPLEMENTAL INFORMATION
PURSUANT TO SECTIONS 1300.84.06, 1300.84.2 AND 1374.68

	1	2	3	4	5
A.	Explanation of the method of calculating the provision for incurred and unreported claims:				
1.	<p>Plan uses lag study methodology to calculate IBNR, reviewed by a certified actuary semi-annually and paid claims hindsight review.</p>				
B.	Accounts and Notes Receivable from officers, directors, owners or affiliates, as detailed below:				
	<u>Name of Debtor</u>	<u>Nature of Relationship</u>	<u>Nature of Receivable</u>	<u>Amount</u>	<u>Terms</u>
2.	NONE			0	
3.					
4.					
5.					
6.					
C.	Donated materials or services received by the reporting entity for the period of the financial statements, as detailed below:				
	<u>Donor's Name</u>	<u>Affiliation with Reporting Entity</u>	<u>Valuation Method</u>	<u>Amount</u>	
7.	NONE			0	
8.					
9.					
10.					
11.					
D.	Forgiven debt or obligations, as detailed below:				
	<u>Creditor's Name</u>	<u>Affiliation with Reporting Entity</u>	<u>Summary of How Obligation Arose</u>	<u>Amount</u>	
12.	NONE			0	
13.					
14.					
15.					
E.	Calculation of Tangible Net Equity (TNE) and Required TNE in accordance with Section 1300.76 of the Rules:				
16.	Net Equity			\$	10,902,319
17.	Add: Subordinated Debt			\$	7,539,517
18.	Less: Receivables from officers, directors, and affiliates			\$	
19.	Intangibles			\$	4,473,144
20.	Tangible Net Equity (TNE)			\$	13,968,692
21.	Required Tangible Net Equity (See Page 22)			\$	9,532,360
22.	TNE Excess (Deficiency)			\$	4,436,332
F.	Percentage of administrative costs to revenue obtained from subscribers and enrollees:				
23.	Revenue from subscribers and enrollees			\$	107,619,656
24.	Administrative Costs			\$	10,621,464
25.	Percentage				10
26.	The amount of health care expenses incurred during the six month period immediately preceding the date of the report which were or will be paid to noncontracting providers or directly reimbursed to subscribers and enrollees:			\$	2,973,486
27.	Total costs for health care services for the immediately preceding six months:			\$	200,837,913
28.	Percentage				1

		1
<p>G. If the amount of health care expenses incurred during the six month period immediately preceding the date of the report which <u>were or will be</u> paid to noncontracting providers or directly reimbursed to subscribers and enrollees exceeds 10% of the total costs for health care services for the immediately preceding six months, the following information, determined as of the date of the reports, shall be provided:</p>		
29. Amount of all claims for noncontracting provider services received for reimbursement but not yet processed:	\$	0
30. Amount of all claims for noncontracting provider services denied for reimbursement during the previous 45 days:	\$	0
31. Amount of all claims for noncontracting provider services approved for reimbursement but not yet paid:	\$	0
32. An estimate of the amount of claims for noncontracting provider services incurred, but not reported:	\$	0
33. Compliance with Section 1377(a) as determined in accordance with such section, as follows:		
34. Cash & cash equivalents maintained	\$	0
35. Noncontracting provider claims (aggregate of total of items 29 - 32 above)	\$	0
36. Cash & cash equivalents reported to be maintained (120% x Line 35)	\$	0
37. Deposit required (100% of Line 36)	\$	0
38. Excess (deficient) reserves (Line 34 - Line 37)	\$	0
Percentage of premium revenue earned from point-of-service plan contracts:		
39. Premium revenue earned from point-of-service plan contracts	\$	289,934
40. Total premium revenue earned	\$	107,619,656
41. Percentage		0
Percentage of total health care expenditures incurred for enrollees for out-of-network services for point-of-service enrollees:		
42. Health care expenditures for out-of-network services for point-of-service enrollees	\$	99,249
43. Total health care expenditures	\$	96,849,024
44. Percentage		0
45. Point-of-Service Enrollment at end of period		1,089
Total Ambulatory encounters for period for point-of-service enrollees:		
46. Physician		658
47. Non-Physician		0
48. Total		658
49. Total Patient Days Incurred for Point-of-Service enrollees		49
50. Annualized Hospital Days/1000 for Point-of-Service enrollees		179
51. Average Length of Stay for Point of Service enrollees		6
52. Compliance with Section 1374.68(a) as follows:		
53. Current Monthly Claims Payable for out-of-network coverage or services provided under Point-of-Service Contracts:	\$	298,301
54. Current monthly incurred but not reported claims balance for out-of-network coverage or services provided under Point-of-Service contracts	\$	58,761
55. Total	\$	357,062
56. Total times 120%	\$	428,474
57. Deposit (Greater of Line 56 or minimum of \$200,000)	\$	428,474

STATEMENT AS OF 3-31-2003 OF 933-0209 UNIVERSAL CARE

REQUIRED TANGIBLE NET EQUITY (TNE) CALCULATION:

TNE required must be equal to the GREATER of "A" "B" or "C" below (See Rule 1300.76)

Full Service Plans		Specialized Plans	
	1		2
A. Minimum TNE Requirement	\$ 1,000,000	Minimum TNE Requirement	\$ 50,000
B. REVENUES:			
1. 2% of the first \$150 million of annualized premium revenues	\$ 3,000,000	2% of the first \$7.5 million of annualized premium revenue	\$
Plus		Plus	
2. 1% of annualized premium revenues in excess of \$150 million	\$ 2,776,104	1% of annualized premium revenue in excess of \$7.5 million	\$
3. Total	\$ 5,776,104	Total	\$ 0
C. HEALTHCARE EXPENDITURES:			
4. 8% of the first \$150 million of annualized health care expenditures, except those paid on a capitated or managed hospital basis.	\$ 4,489,725	8% of the first \$7.5 million of annualized health care expenditures, except those paid on a capitated or managed hospital basis.	\$
Plus		Plus	
5. 4% of annualized health care expenditures in excess of \$150 million except those paid on a capitated or managed hospital payment basis.	\$	4% of annualized health care expenditures in excess of \$7.5 million except those paid on a capitated or managed hospital payment basis.	\$
Plus		Plus	
6. 4% of the annualized hospital expenditures paid on a managed hospital payment basis.	\$ 5,042,635	4% of the annualized hospital expenditures paid on a managed hospital payment basis.	\$
7. Total	\$ 9,532,360	Total	\$ 0
8. Required "TNE" - Greater of "A" "B" or "C"	\$ 9,532,360	Required "TNE" - Greater of "A" "B" or "C"	\$

**KNOX -KEENE
SUPPLEMENTAL INFORMATION
PURSUANT TO SECTIONS 1374.64**

POINT OF SERVICE TANGIBLE NET EQUITY CALCULATION

Calculation of Tangible Net Equity and required Tangible Net Equity in accordance with Section 1374.64:

	1	
1. Net Equity	\$	10,902,319
2. Add: Subordinated Debt	\$	7,539,517
3. Less: Receivables from officers, directors, and affiliates	\$	
4. Intangibles	\$	4,473,144
5. Tangible Net Equity (TNE)	\$	13,968,692
6. Required Tangible Net Equity (From Line 10 or 13 below)	\$	9,556,047
7. TNE Excess (Deficiency)	\$	4,412,645
ADJUSTED MINIMUM TANGIBLE NET EQUITY CALCULATION (Complete Section I or II):		
I. Plan is required to have and maintain TNE as required by Rule 1300.76 (a)(1) or (2):		
8. Minimum TNE as calculated under Rule 1300.76 (a)(1) or (2)	\$	9,532,360
9. 10% of annualized health care expenditures for out-of-network service for point-of-service enrollees	\$	23,687
10. Add lines 8 and 9	\$	9,556,047
II. Plan is required to have and maintain TNE as required by Rule 1300.76 (a)(3):		
<u>PART A</u>		
11. Minimum TNE as recalculated to exclude annualized healthcare expenditures for out-of-network services for point-of-service enrollees (attach worksheet Page 24)	\$	9,532,360
12. 10% of annualized health care expenditures for out-of-network services for point-of-service enrollees	\$	23,687
13. Add lines 11 and 12	\$	9,556,047
III. MINIMUM TNE REQUIREMENT TO DETERMINE MONTHLY REPORTING		
14. From Line 5 (above)	\$	18,159,300
15. Multiply Line 6 (above) by 130%	\$	12,422,861
16. Difference (Line 14 - Line 15)	\$	5,736,439
If Line 14 is less than Line 15, then monthly reporting is required		

STATEMENT AS OF 3-31-2003 OF 933-0209 UNIVERSAL CARE

WORKSHEET FOR ADJUSTED TANGIBLE NET EQUITY CALCULATION

	1 Full Service Plans	2 Specialized Plans
1. Health care expenditures for period	\$ <input type="text" value="0"/>	\$ <input type="text"/>
Less:		
2. Capitated or managed hospital payment basis expenditures	<input type="text" value="0"/>	<input type="text"/>
3. Health care expenditures for out-of-network services for point-of-service enrollees	<input type="text" value="0"/>	<input type="text"/>
4. Result	<input type="text" value="0"/>	<input type="text" value="0"/>
5. Annualized	<input type="text" value="0"/>	<input type="text"/>
6. Reduce to maximum of \$150 million	<input type="text" value="0"/>	<input type="text"/>
7. Multiply by 8%	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>
Plus		
8. Annualized health care expenditures except those paid on a capitated or managed hospital payment basis and excluding health care expenditures for out-of-network services for point-of-service enrollees	\$ <input type="text"/>	\$ <input type="text"/>
9. Less \$150 million	<input type="text"/>	<input type="text"/>
10. Multiply by 4%	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>
Plus		
11. Annualized hospital expenditures paid on a managed hospital payment basis and excluding health care expenditures for out-of-network services for point-of-service enrollees	\$ <input type="text" value="0"/>	\$ <input type="text"/>
12. Multiply by 4%	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>
13. Total	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>

STATEMENT AS OF 3-31-2003 OF 933-0209 UNIVERSAL CARE

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